

**Introduced by Senator Leno**February 25, 2015

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An act to amend Section 33333.7 of the Health and Safety Code, relating to redevelopment.

## LEGISLATIVE COUNSEL'S DIGEST

SB 441, as introduced, Leno. San Francisco redevelopment: housing.

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies that are required to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations. Existing law authorized the former Redevelopment Agency of the City and County of San Francisco, subject to the approval of the board of supervisors of that city and county, to incur indebtedness exclusively for specified Low and Moderate Income Housing Fund activities until January 1, 2014, or until the agency replaced all of the housing units demolished prior to the enactment of the replacement housing obligations, and to receive tax increment revenues to repay indebtedness incurred for those activities until no later than January 1, 2044, as specified.

This bill would make a technical, nonsubstantive change to the provision authorizing the former Redevelopment Agency of the City and County of San Francisco to incur indebtedness exclusively for specified Low and Moderate Income Housing Fund activities.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 33333.7 of the Health and Safety Code is amended to read:

33333.7. (a) Notwithstanding the time limits *set forth* in paragraph (1) of subdivision (a) of Section 33333.6, as that paragraph (1) read on December 31, 2001, the Redevelopment Agency of the City and County of San Francisco may, subject to the approval of the Board of Supervisors of the City and County of San Francisco, retain its ability to incur indebtedness exclusively for Low and Moderate Income Housing Fund activities eligible under Sections 33334.2 and 33334.3 until January 1, 2014, or until the agency replaces all of the housing units demolished prior to the enactment of the replacement housing obligations in Chapter 970 of the Statutes of 1975, whichever occurs earlier. The ability of the agency to receive tax increment revenues to repay indebtedness incurred for these Low and Moderate Income Housing Fund activities may be extended until no later than January 1, 2044. Nothing in this paragraph shall be construed to extend a plan's effectiveness, except to incur additional indebtedness for Low and Moderate Income Housing Fund activities, to pay previously incurred indebtedness, and to enforce existing covenants, contracts, or other obligations.

(b) Annual revenues shall not exceed the amount necessary to fund the Low and Moderate Income Housing Fund activities of the agency. The agency shall neither collect nor spend more than 10 percent for the planning and administrative costs authorized pursuant to subdivision (e) of Section 33334.3. Revenues received under this paragraph shall not exceed the amount of tax increment received and allocated to the agency pursuant to the plan, as it has been amended, less the amount necessary to pay prior outstanding indebtedness, and less the amount of the project area's property tax revenue that school entities are entitled to receive pursuant to Chapter 3 (commencing with Section 75) and Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code if the plan had not been amended. Additionally, revenues collected under this paragraph are subject to the payments to affected taxing entities pursuant to Section 33607.

1 (c) The activities conducted with revenues received under this  
2 paragraph shall be consistent with the policies and objectives of  
3 the community's housing element, as reviewed and approved by  
4 the department, and shall address the unmet housing needs of very  
5 low, low- and moderate-income households. The activities shall  
6 also be consistent with the community's most recently approved  
7 consolidated and annual action plans submitted to the United States  
8 Department of Housing and Urban Development, and if the director  
9 deems it necessary, the annual action plans shall be submitted to  
10 the department on an annual basis. No less than 50 percent of the  
11 revenues received shall be devoted to assisting in the development  
12 of housing that is affordable to very low income households.

13 (d) The agency shall not incur any indebtedness pursuant to  
14 this paragraph until the director certifies, after consulting with the  
15 agency, the net difference between the number of housing units  
16 affordable to persons and families of low and moderate income  
17 that the agency destroyed or removed prior to January 1, 1976,  
18 and the number of housing units affordable to persons and families  
19 of low and moderate income that the agency rehabilitated,  
20 developed, or constructed, or caused to be rehabilitated, developed,  
21 or constructed within the project areas adopted prior to January 1,  
22 1976.

23 (e) The agency shall not incur any indebtedness pursuant to  
24 this paragraph unless the director of the department certifies  
25 annually, prior to the creation of indebtedness, all of the following:

26 (1) The community has a current housing element that  
27 substantially complies with the requirements of Article 10.6  
28 (commencing with Section 65580) of Chapter 3 of Division 1 of  
29 Title 7 of the Government Code.

30 (2) The community's housing element indicates an unmet need  
31 for Low and Moderate Income Housing Fund activities.

32 (3) The agency's most recent independent financial audit report  
33 prepared pursuant to Section 33080.1 reports acceptable findings  
34 and no major violations of this part.

35 (4) The agency has complied with subdivision (a) of Section  
36 33334.2.

37 (5) The agency has met the requirements of this part with  
38 respect to the provision of dwelling units for persons and families

- 1 of low or moderate income, including, but not limited to, the
- 2 requirements of Section 33413.

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